

GENERAL COUNSEL'S REPORT

January 27, 2016

- A. The Health Center of Nashville, Nashville (Davidson County), TN – CN1107-024AME
Request for a six month extension from May 1, 2016 to October 1, 2016.

The project was unanimously approved on September 28, 2011 with an estimated project cost of \$23,894,100. On October 23, 2013, the Agency granted an 18-month extension of the expiration date from November 1, 2014 to May 1, 2016 and modifications related to reductions in square footage, project cost, and changes in the footprint of the facility. The estimated project cost is \$23,900,000.

A request for modification and 18 month extension of the expiration date was unanimously approved on October 23, 2014, consisting of the following modifications:

- Reduction of 60 beds from the 150 approved beds to 90 private beds;
- Decrease in project cost by \$2,381,950 from \$23,894,100 to \$21,512,150;
- Other changes related to the footprint of the facility including (a) reduction in overall square footage by 8,592 SF from 86,000 SF to 77,408 SF; (b) increase in therapy gym space by 2,500 SF from 2,300 SF to 4,800 SF; (c) the addition of 3,400 SF of shelled space for potential future growth.
- CN1306-022A Health Center of Hermitage is pending to relocate 60 of the 150 beds authorized by CN1107-024A with an estimated project cost of \$23,894,100.

A request for modification was unanimously approved on June 25, 2014, eliminating shelled space and associated connective space which will result in a reduction in total project cost.

- The total space was reduced 7.8% from 77,408 SF to 71,362 SF. The total cost was reduced 6.4% from \$21,512,150 to \$20,129,450.
- All 90 beds will remain as private beds. However, 8 of the 90 beds will be in companion rooms, which consists of 2 private rooms connected to a common area with a full bathroom.

BUTLER | SNOW

DEC 29 15 45:47

December 21, 2015

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: The Health Center of Nashville, CN-1107-024AME

Dear Ms. Hill:

This letter is submitted on behalf of the project referenced above for the purpose of requesting an extension of the certificate of need expiration date.

Background

This project involves the replacement and relocation of a 150-bed nursing home facility to a new location at the corner of Highway 100 and Pasquo Road in the Bellevue area of Davidson County. The total project cost is projected to be approximately \$23,900,000. The certificate of need is currently scheduled to expire May 1, 2016.

The project is approximately 80% complete. The current schedule is for construction to be completely finished by April 29, 2016. Thus, it will not be possible to license the facility before the certificate of need expiration date on May 1, 2016.

Reasons for Delay

The construction schedule has been unexpectedly delayed because of the need to address a difference between Tennessee building codes and CMS building codes. The project plans were approved by the Tennessee Department of Health in accordance with the 2012 building codes adopted by Department. However, CMS still uses the 2000 building codes. The additional work required to modify the project to meet CMS requirements caused a delay in construction of approximately 60 days. Additional delays resulted from the unexpected requirements imposed by Nashville planning authorities to relocate sanitary sewer and water lines and to relocate utility poles on Highway 100.

DEC 29 '15 09:47

Extension Requested

It is anticipated that the project will be completed and licensed by July 1, 2016, at the latest. In order to allow for unforeseen developments, however, we respectfully request an extension of the expiration date until October 1, 2016. The maximum filing fee has previously been paid for this project, so we do not believe an additional filing fee is necessary in connection with this request.

We would appreciate this request being included on the agenda for the Agency's meeting on January 27, 2016. Please let us know if you have questions or if you need additional information.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw
cc: Jim Christoffersen
Bruce Duncan

NHC

NATIONAL HEALTHCARE CORPORATION

AUG 28 14 PM 2:00

August 25, 2014

Mr. Mark Ausbrooks
Administrative Assistant
Health Services and Development Agency
502 Deadrick Street, 9th Floor
Nashville, TN 37243

Via UPS Delivery

Re: The Health Center of Nashville
CON-CN1107-024AME

Dear Mark:

Pursuant to Agency requirements for an Annual Progress Report, please find enclosed the Report for The Health Center of Nashville. Please contact me if you have any questions regarding the contents of this document. Thank you for your time and attention to this matter.

Sincerely yours,
NATIONAL HEALTHCARE CORPORATION



Thomas B. Campbell, CCIM
Director of Development

c. B. Duncan



Aug 28 '14 PM 2:00

**STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY**

500 Deaderick Street, Suite 850
Nashville, TN 37243
615/741-2364

**ANNUAL PROGRESS REPORT
ANNUAL REVIEW FOLLOWING CERTIFICATION**

Project Name: The Health Center of Nashville Certificate of Need #: CN1107-024 AME

Legal Owner: The Health Center of Nashville, LLC Approval Date: Sept 28, 2011 - Expiration Date May 1, 2018

Project Description: A 90 bed nursing home located at 8353 Highway 100, Bellevue, Tennessee.

******PLEASE SUBMIT EVIDENCE TO SUPPORT EACH ANSWER******

In a brief narrative, please describe the current stage of completion for the project (use another sheet of paper if necessary). Please note that this report will not be considered complete without this information.

A. CONSTRUCTION PROJECTS

1. Anticipated date of project completion. December, 2015
2. Provide written confirmation from the contractor documenting the stage of construction at the current time.
3. If proposed construction costs have increased over ten (10%) percent please provide information as an attachment to this form. Please note that such an overrun could require additional action before the Agency.

B. NON-CONSTRUCTION PROJECTS

1. Anticipated date of service implementation, acquisition or operation of the facility or equipment as certified.
2. Provide written confirmation from the institutional representative verifying the occupancy/opening date for the service, equipment, or facility.

Thomas B. Campbell
Signature of Authorized Agent or Chief Operating Officer

8.28.14
Date

AUG 28 '14 PM 2:00

**The Health Center of Nashville
90 Bed Nursing Home
CN1107-024AME**

Progress Report

NHC remains on track to complete and license the subject project before the CON expiration date of May 1, 2016. A summary of key milestones achieved follows:

Site rezoned to allow CON project-August, 2012

NHC closes on site/land-May 22, 2013

Construction documents completed-May 27, 2014

Plans submitted to Agency for Plan Review and Approval-June 25, 2014

Plans submitted for Building Permit-June 25, 2014

Final Construction Price (GMP) received-July 17, 2014

NHC has expended approximately \$4.0 million toward this project to date for the site, professional fees, A&E fees, and other soft costs. We anticipate beginning construction in September, 2014. NHC has to finalize the construction contract with the Contractor, obtain final plan approval from the Agency, and pick up our various building permits allowing construction.

If NHC successfully completes the above tasks in August, 2014 as hoped, we should be able to begin construction this September. The project will require 16 months to construct. Construction should be completed fall, 2015 and the facility licensed by year end, 2015.



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

August 27, 2014

Bruce K. Duncan, Assistant Vice President
National HealthCare Corporation
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

RE: The Health Center of Nashville - CN1107-024AME

Dear Mr. Duncan:

As referenced in our recent letter, please find enclosed your revised Certificate of Need for the above-referenced application, which modifications and/or an extension of the expiration date were approved at the June 25, 2014 meeting of the Tennessee Health Services and Development Agency.

Should you have any questions or require further information regarding this Certificate, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "JBC", written over a horizontal line.

James B. Christoffersen
General Counsel

JBC/mab

Enclosure

cc: Trent Sansing, Division of Health Statistics, Office of Policy, Planning & Assessment
Ann R. Reed, Health Care Facilities - Licensure
Bill Harmon, Director of Engineering, Health Care Facilities

STATE OF TENNESSEE
Health Services and Development Agency



Certificate of Need No. CN1107-024AME is hereby granted under the provisions of T.C.A. § 68-11-1601, *et seq.*, and rules and regulations issued thereunder by this Agency.

To: The Health Center of Nashville, LLC
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

For: The Health Center of Nashville

This Certificate is issued for: The construction of a 90-bed nursing home due to the change of site/relocation of an approved but unimplemented certificate of need (CN1002-007AS**) from 2816 Old Hickory Boulevard, Nashville (Davidson County) to an unaddressed site at Highway 100 and Pasquo Road in Nashville (Davidson County).

NOTE: *The beds were reduced from the originally approved 150 beds due to a modification approved on October 23, 2013. **CN1002-007AVS, approved May 26, 2010 with an extended expiration date of November 1, 2014, permitted the transfer of 150 beds pursuant to TCA § 68-11-1628 from McKendree Village, 4347 Lebanon Road in Hermitage (Davidson County) to 2816 Old Hickory Boulevard, Nashville (Davidson County). These beds were not subject to the 2009-2010 Bed Pool since they were not new nursing home beds. CN1002-007AVS was surrendered on November 1, 2011 due to the approval of CN1107-024A on September 28, 2011.

Pursuant to Agency Rule 0720-10-06 Expiration, Revocation, and Modification of Issued Certificates, this certificate is a replacement of the originally issued certificate due to the following modifications: 1)-October 23, 2013-Expiration dated extended 18 months from November 1, 2014 to May 1, 2016; Reduction of 60 beds from the 150 approved beds to 90 beds in private rooms; Decrease in project cost by \$2,381,950 from \$23,894,100 to \$21,512,150; and Other changes related to the footprint of the facility including: (a) reduction in overall square footage by 8,592 SF from 86,000 SF to 77,408 SF; (b) increase in therapy gym space by 2,500 SF from 2,300 SF to 4,800 SF; and (c) the addition of 3,400 SF of shelved space for potential future growth. 2)-June 25, 2014-Elimination of shelved space and associated connective space which will result in a reduction in cost. All beds with the exception of 8 private rooms will be in companion rooms which consists of 2 private rooms connected to a common area; Space will be reduced 7.8% from 77,408 SF to 71,362 SF; and Cost will be reduced 6.4% from \$21,512,150 to \$20,129,450.

On the premises located at: Unaddressed site at Highway 100 and Pasquo Road
Nashville (Davidson), TN 37221


For an estimated project cost of: \$20,129,450.00

The Expiration Date for this Certificate of Need is

* May 1, 2016

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After the expiration date, this Certificate of Need is null and void.

Date Approved: September 28, 2011


Chairman

Date Issued: October 26, 2011

*1st Date Modified: October 23, 2013


Executive Director

*2nd Date Modified: June 25, 2014